

OVERSIGHT BOARD RESOLUTION NUMBER OB-2012-32

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE CITY OF SAN DIEGO REDEVELOPMENT SUCCESSOR AGENCY AUTHORIZING THE SUCCESSOR AGENCY TO ENTER INTO ESCROW AGREEMENTS RELATED TO SUCCESSOR AGENCY LOANS AND TO TRANSFER THE LOAN FUNDS INTO ESCROW ACCOUNTS

WHEREAS, the former Redevelopment Agency of the City of San Diego (Former RDA) administered the implementation of various redevelopment projects, programs, and activities within designated redevelopment project areas throughout the City of San Diego (City); and

WHEREAS, in accordance with Assembly Bill x1 26 (AB 26), the Former RDA dissolved as of February 1, 2012, at which time the City of San Diego, solely in its capacity as the designated successor agency to the Former RDA (Successor Agency), assumed the Former RDA's assets and obligations; and

WHEREAS, the Successor Agency is winding down the Former RDA's affairs in accordance with AB 26, as amended by Assembly Bill 1484 (AB 1484), enacted on June 27, 2012 (collectively, the Dissolution Laws); and

WHEREAS, the Oversight Board has been formed to oversee certain actions and decisions of the Successor Agency in accordance with the Dissolution Laws; and

WHEREAS, pursuant to California Health and Safety Code Section 34177(l), Successor Agency staff must prepare a Recognized Obligation Payment Schedule (ROPS) on a forward-looking basis for each six-month fiscal period, showing the payments to be made toward enforceable obligations and the funding source for the payments; and

WHEREAS, Health and Safety Code Section 34177(c) requires the Successor Agency to perform obligations required pursuant to any enforceable obligation;

WHEREAS, the Dissolution Laws are generally unclear as to whether the Successor Agency can take discretionary actions related to performance of enforceable obligations, and enter into related agreements, without Oversight Board authorization; and

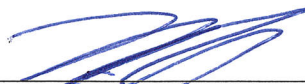
WHEREAS, due to uncertainty created by the Dissolution Laws and the process for winding down the Former RDA's affairs, lenders for enforceable obligation projects that involve Successor Agency loans have requested that the Successor Agency deposit its loan funds into an escrow account as a condition precedent to the lenders funding their loans for the projects; and

WHEREAS, Successor Agency staff expect to receive additional requests of this nature in the future; and

WHEREAS, in an abundance of caution, the Successor Agency has requested that the Oversight Board authorize the Successor Agency to enter into escrow agreements related to Successor Agency loans and to transfer Successor Agency loan funds into escrow accounts to facilitate financing required pursuant to enforceable obligations.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board that the Successor Agency is authorized to enter into escrow agreements related to the disbursement of Successor Agency loans when such loans are required pursuant to enforceable obligations included in any approved ROPS, and to transfer the outstanding amount of the loan funds into escrow accounts for disbursement by an independent escrow agent according to the terms of the enforceable obligations.

PASSED AND ADOPTED by the Oversight Board at a duly noticed meeting of the Oversight Board held on October 16 2012.



Chair, Oversight Board